

Legislation will claim 90% of payouts from companies receiving bailout funds

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RAJU CHEBIUM

WASHINGTON -- Twelve New Jersey House members supported legislation Thursday that would levy a 90 percent tax on bonuses paid to executives of American International Group Inc. and other ailing companies that taxpayers are propping up.

One Garden State lawmaker voted against the bill, which the House approved 328-93 in a climate of public outrage over \$165 million in bonuses that AIG executives received recently.

The House bill would tax bonuses paid after Dec. 31, 2008, by companies that got more than \$5 billion in public money aid, D-Nev., said that bill could come up next week.

"How AIG thought its executives deserved to be lavished with these bonuses after running a company into the ground is beyond me," Rep. Rush Holt, D-Hopewell Township, said in a statement. "We should also ensure that no other company receiving taxpayer funds abuses the public trust."

Rep. John Adler, D-Cherry Hill, said he shares his constituents' outrage.

"New Jersey families pay too much in taxes, and their money should not be sent to the very people who are responsible for putting our country in an economic crisis," Adler said in a statement.

Rep. Leonard Lance, R-Clinton Township, was among the 85 Republicans who voted for the bill. He also co-sponsored a Republican alternative that would require the U.S. Treasury Department to recoup the AIG bonuses within two weeks.

Lance highlighted another instance of potential corporate excess, scolding Citigroup for allegedly planning to spend \$10 million on office renovations. Taxpayers have given the ailing financial services company \$45 billion to keep it afloat.

The lopsided support for the bill approved Thursday, sponsored by Rep. Charles Rangel, D-N.Y., came despite sharp criticism from Republicans, who called the tax legally questionable.

Rep. Scott Garrett, the Wantage Republican who was the only Garden State lawmaker to vote no on the measure, said in a statement that people should be furious at Congress more than AIG.

"Congress' outrage ... is simply a smoke-and-mirrors attempt to distract the American people from the fact that they used taxpayer money to bail out these companies in the first place. Where was the outrage when \$40 billion in TARP money was pumped into AIG?" he said. "This

tax gives the government permission to take what is private property."